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27 September 2023

**NON-CONFIDENTIAL VERSION**

### **Mobile roaming consultation: Strengthening customer protections**

Three welcomes the opportunity to comment on Ofcom's proposals on roaming transparency as set out in a new General Condition and Guidance notes. We have set out our detailed comments on the content and timing of sending roaming notifications and the new measures to protect customers against inadvertent roaming.

#### **Executive Summary**

1. Three fully supports the requirement to continue sending roaming notifications containing accurate and clear charging information. These are seen as essential tools to help customers understand their charges whilst abroad. However, Ofcom's draft proposals go further than previous regulatory requirements by mandating personalised information and personalised spend limits which would be costly to implement and provide limited additional benefit for the customer.
2. The advice of charge information requirements from previous EU roaming regulation can be met by sending country-specific information for broad classes of customers (e.g. Pre-pay, Pay Monthly, Business or MVNO) where the roaming charges are applied consistently to these customer groups across all price plans. Within these customer groups different Terms may apply depending on when the customer joined or upgraded. There is therefore little benefit to customers from customising messages beyond this split and the costs of implementing bespoke messages for each customer is disproportionate.
3. Customising roaming messages would require significant IT development as well as changes to our network architecture and to the third party roaming Steering platform as there is currently no integration between the Steering platform and the IT or CRM platforms which hold customers' account details. MVNO partners using our Steering platform would also need to develop the capability so that they can send personalised messages to customers.

4. The results from Ofcom's survey demonstrate that roaming messages work very well and only a minority of customers don't know how they are charged when going abroad. To therefore implement rules that require providers to implement huge changes to their systems in order to send more personalised messages, would be disproportionate.
5. We ask Ofcom to carefully reconsider any changes to the content of the messages beyond the requirements in the previous roaming regulation. There is no clear evidence from the research to show that customers are asking for any change to the current notifications. As an alternative, we suggest that wherever possible the roaming notification should include direct links signposting customers to information rather than including it within the body of the message. For example, links can be used to direct the customer to their online account/ app which includes their mobile spend limit and their contract start and end date.
6. The proposals also include the requirement to provide notifications not just when the customer first lands in a roaming destination but "each and every time" they connect to a roaming network. This is a significant change to existing working practices. We believe that the existing approach strikes the correct balance between notifications being helpful and adequately informing customers of their roaming charges and notifications becoming a nuisance by simply repeating with the same charges. We are concerned that customers may choose to then opt out of receiving notifications altogether.

**Question1: Do you agree with our proposals to introduce rules and accompanying guidance requiring providers to send customers roaming alerts that include information on roaming charges, mobile bill limits and where to access more information?**

#### **1.1 Timing of the roaming notification**

Under the draft GC C3.15, providers must ensure that customers are notified without undue delay so they have the information they need to be able to make informed decisions about using their roaming services. Paragraph A7.12 of the draft guidance requires these notifications to be sent "each time" a customer connects their mobile device to a Roaming Network outside the UK. The guidance also sets out examples of how this should work in practice.

Whilst we fully support the need to send roaming notifications containing accurate and clear charging information, the requirement to provide notifications not just when the customer first lands in a roaming destination but "each and every time" they connect to a roaming network, is a significant change to existing working practices and a departure from BEREC's guidelines (dated 27 March 2017) which were in place prior to Brexit. Currently, industry practice is for operators to send roaming messages when the customer i) first connects to a roaming network in a foreign destination ii) roams to another destination with different charges and iii) continues to roam in the same destination for longer than 7 days. This practice strikes the correct balance between notifications being helpful and adequately informing customers of their roaming charges and notifications becoming a nuisance by simply repeating the same charging information but adding no additional benefit. Customers are typically on holiday for a period of 7 days and during this period roaming tariffs are highly unlikely to have changed. To introduce a rule that requires operators to send messages "each and every time" they connect to a roaming network is excessive and could be considered annoying by many customers who may opt out of receiving notifications as a consequence. If a customer opts out of the messages, our experience is that they are unlikely to opt into receiving roaming messages again in the future.

**We urge Ofcom to reconsider their guidance on the frequency of roaming notifications which deviates from existing industry practice.**

See table below:

Ofcom Proposal	Current Logic
If a customer travels to Country A then Country B then Country A again, they must get 3 notifications – one for Country A, one for Country B and then a further notification for Country A.	Message sent for Country A and Country B but if Customer returns to Country A within 7 days, then no further message.
If a customer travels to Country A and while they are in Country A they inadvertently roam in Country B, they must get 2 notifications – one for Country A and one for Country B. If the same customer, then re-connected to the network in Country A, they would get a further notification for Country A.	Message sent for Country A and Country B but no message when Customer re-enters Country A.
If a customer is in the UK and connects to a network in a country outside of the UK, they must get a notification for that country (e.g. for Ireland or France).	No change.
If a customer travels to Country A, returns to the UK and travels to Country A again, they must get 2 notifications for Country A – One when they first visit Country A and another when they return to Country A.	Message for Country A but no further message until 7 days after returning to Country A.

## 1.2 Content of the roaming notification

The proposed new rules require roaming notifications to be sent to consumers and small businesses when they arrive in any roaming destination. Ofcom’s research shows that current roaming notifications are a highly effective tool with 94% of people finding the notifications to be helpful or essential and 72% changing their behaviour after receiving a roaming alert. The requirement to send roaming notifications has been in place since 2007 and roamers in all destinations now expect to have this information to hand when they arrive in another country. Whilst we fully support the need to continue sending roaming notifications, there is no clear evidence that customers are asking for any change to the current information provided (which is based on the requirements in the previous roaming regulation) and we are concerned that some of the changes proposed by Ofcom may result in longer notifications which customers are less likely to read. We note that some of the primary complaints about the current notifications in the research Ofcom commissioned, is that they contain too much information and therefore may be difficult to understand (question 18). Adding additional information is only likely to exacerbate the issue.

There are also technical constraints to successfully delivering longer messages. The third party platforms used to send out roaming notifications are designed to send a maximum of 3 messages of 144 characters. These 3 messages are concatenated and appear to the customer as a single message. We understand there are limitations on some mobile devices (e.g. some android devices), which cannot support longer messages and as a result the roaming notification would fail to be delivered. Three’s roaming notifications already contain the maximum number of characters permitted and we note that Ofcom is mandating more, not less, information such as information on the mobile spend limit and other roaming spend controls such as the worldwide data cap (£45).

**We ask Ofcom to carefully consider any changes to the content of the messages beyond the requirements in the previous EU roaming regulation. There is no clear evidence from the research to show that customers are asking for any change to the current notifications and longer messages could be less impactful and result in technical issues for some customers. We suggest that wherever possible the roaming notification should include direct links to signpost to non-essential information rather than including it within the body of the**

message. For example, links can be used to direct the customer to their online account which includes their mobile spend limit (and the ability to modify the limit) as well as the customer's contract start and end data. Links can also be used to direct customers to information on the default data roaming cap or other spend controls.

### 1.3 Personalised Information on roaming charges

The draft GC C3.15 requires providers to send "clear, comprehensible, accurate, personalised information" within the notifications to enable customers to make an informed decision about whether (and how) to use Roaming Services on that particular Network. It goes on to state that the notifications shall contain the following personalised information:

- i) confirm if the customer's tariff plan contains any allowance for roaming services on that particular network.
- ii) inform the customer about any charges for roaming on that particular network, including if they exceed any allowance in i);
- lii) where there is a quantitative limit on the volume of roaming services that can be consumed before charges are incurred or before different charges apply (such as a data volume limit) the notification should set out that limit),
- iv) where any such allowance or charges relate to the use of roaming services over a specific time period (such as the use of roaming services for a 24 hour period), the notification should explain at what point the relevant time period would commence and end.

It is not clear what in practice Ofcom means by the term "personalised information" as the above information requirements can be (and currently are) satisfied by sending a series of notifications for broad classes of customer.

As Ofcom notes, there are already a number of protections in place to ensure customers don't experience bill shock whether in the UK or when roaming. Under the current GCs, providers must send 100% usage notifications which include information about any ongoing charges and these usage notifications apply to fair use allowances limits and daily roaming charges as well as for a customer's UK plan allowances and add-ons. In addition to the advice of charge roaming message, customers will receive a follow up message informing them when a daily roaming charge or roaming pass is activated (following a chargeable event) and customers are also notified when the charge/pass is coming to an end.

These proposals go further than the requirements in the previous roaming regulation. The 2015 regulation mandated advice of charge messages to be sent with "basic personalised pricing information" which referred specifically to the roaming charges that apply to the making and receiving of calls, sending text messages and data roaming services when roaming on a foreign network. It also included any fair use policy and any surcharge which applied in excess of any limits. The regulation did not require the inclusion of personalised information on bill limits nor fully personalised information such as a customer's contract details in the roaming notification.

**The advice of charge information requirements from the previous EU roaming regulation can be met by sending country-specific information for broad classes of customers (e.g. Pre-pay, Pay Monthly, Business or MVNO ) where the roaming charges are applied consistently to these customer groups across all price plans. Within these customer groups different Terms may apply depending on when the customer joined or upgraded. There is therefore little benefit to customers from customising messages beyond this split and the costs of implementing bespoke messages for each customer is disproportionate.**

#### **1.4 Advice of Charge messaging – Implementation and Development**

Three's roaming notification capability is delivered as an add-on capability of the Roaming Steering platform. The platform is primarily used by Three to steer customers to the correct network when they are roaming abroad. This is enabled by relaying a set of messages from the Core network to the Steering platform. When a customer registers onto a foreign network, the Core network triggers a message to the platform which has the ability to look up basic information about the customer from the network. This information is currently limited to customer being Pre-Pay, Post-pay, Retail, MVNO or on a Business plan. This basic information is then used to format the static text that is sent out to the customer as a text message.

**To customise these messages further would require significant IT development as well as changes to our network architecture and to the third party Roaming Steering platform. This is because there is currently no integration between the Roaming Steering platform and the IT or CRM platforms which hold customers' account details. MVNO partners using our Steering platform would also need to develop the capability so that they can send personalised messages to their customers.**

It is also not clear how personalised messaging can be implemented by indirect wholesale partners where there are a number of resellers in the supply chain and the mobile operator does not have a technical or commercial relationship with the end user provider.

#### **1.5 Personalised Information on bill limits**

Ofcom proposals include the requirement for roaming notifications to contain personalised information on bill limits confirming if a limit is in place and if so the level of this limit. As explained above, this would require significant development for Three as the Roaming Steering platform that delivers the notifications is not integrated with the billing or CRM platforms which hold customers' account details.

We agree that the roaming message should explain that the customer can control their spend when abroad by setting a spend limit and then signpost to where they can find further information. However, we believe including dynamic information in the message is of limited benefit and that the costs would prove disproportionate.

**An alternative approach is that the roaming message provides a direct link to the customer's online account which already includes information on whether a limit has been set and at what level as well as providing the ability for customers to set, modify or remove the limit.**

#### **1.6 Proportionality and costs**

When considering the proportionality of the proposed changes in paragraph 4.75 to 4.104, the consultation primarily focus is on the benefit of having any notification requirements versus having no notification requirements at all, rather than the benefit of having requirements which go beyond what was required under the EU Regulations (i.e. the personalised and bill limit information). The results from the survey used by Ofcom demonstrate that the roaming messages work well and for the overwhelming majority of roamers are well understood. It shows that only a minority of customers don't know how they are charged when abroad (Q23, Q24, Q25). Implementing rules that require providers to implement huge changes to their systems in order to be able to send more personalised messages, would be disproportionate.

Ofcom states (paragraph 4.94) that the cost of implementation will be relatively low in the range of 0.05-0.52p per customer per month. This is premised on the understanding that providers are already providing notifications and will just need to update the information. However, this is based purely on the current cost of sending a notification and does not factor in the significant cost of development required if the standalone

roaming platform needed to be integrated with other customer and billing platforms. Ofcom's information request from October 2022 asked for the costs of delivering a roaming notification and setting and modifying the £45 worldwide data cap but did not ask for the costs of sending messages which specify a customer's bill limit or include personalised information from their contract such as start date.

**As previously mentioned, Three fully supports the proposal to continue sending roaming notifications but we do not support extending the scope of the rules to mandate personalised information on mobile spend caps or individual contracts. We urge Ofcom to reconsider its proposals on personalised information and personalised spend limits which would be costly to implement and of limited additional benefit to customers.**

**Question 2: Do you agree with our proposals to introduce rules and accompanying guidance requiring providers to (a) have and publish measures to enable customers to reduce and/or limit expenditure related to inadvertent roaming while in the UK and (b) provide information on how to avoid inadvertent roaming both in and outside of the UK?**

#### **Inadvertent roaming protections**

Three supports Ofcom's proposals on inadvertent roaming including i) measures to limit expenditure from inadvertent roaming in the UK and ii) the provision of useful information on providers' website to help customers avoid inadvertent roaming worldwide.

Three already has a number of measures in place to ensure customers in Northern Ireland who inadvertently roam in the Republic of Ireland, do not incur roaming charges. Pay Monthly customers can use their full UK plan allowance whilst in the Republic of Ireland at no extra cost. In addition, there is no daily roaming charge in the Republic of Ireland.

**Question 3: Do you agree with the proposed implementation period of 6 months from publication of the statement and changes to General Condition C3 and guidance?**

Three does not agree with this timeline if Ofcom is minded to press ahead with its current proposals to mandate personalised and dynamic information within the roaming notifications. To implement such changes would take a minimum of 18 months. See answer to question 2 above.

#### **Other Comments: Current Roaming Charges (Figure A5.1)**

We note that Annex 5 includes a table which sets out potential roaming charges for a week of typical mobile usage by destination and provider. The calculation of the charges for Three customers roaming in Saudi Arabia is said to be £11,244.25. However, Ofcom has not calculated the charges for Three on the same basis as for other operators. This is because:

- Ofcom has used Three's per unit charging rates to apply to the (Voice, SMS and Data) usage amounts. The amount is predominately driven by the £6/MB rate for Saudi Arabia. However, the customer's Worldwide Data Roaming Limit would have been triggered and their bill would be capped at £45 + VAT or such limit chosen by the customer. The data roaming cap is on by default for all accounts and a customer would need to actively confirm that they want to continue to use data once they reach the £45 limit. They can then set an alternative data roaming limit for ongoing data roaming usage.
- For the other operators, Ofcom has used a roaming product in order to calculate the charges. Some of the other operators do not offer a unit rate, instead forcing the customer to buy a roaming product. Three also has a roaming product, the "Data Passport" which covers Saudi Arabia at £5 per day for up to 24 hours. This would result in the customer paying between £5 to £35 per day depending on when they used the 1.8GB. This is significantly less than £11,244.25. In fact, the customer would pay only £119.25 assuming the customer used Data Passport every day. See calculation below.

- Customers roaming in Saudi Arabia would have received a message informing them of the benefit and cost of using a Data Passport with unlimited data.

**Three**

Voice	40.6	Mins	£2.00	per Min	£81.20
SMS	8.7	Message	£0.35	per SMS	£3.05
Data	1.86	GB	£6.00	per MB	<u>£11,160.00</u>
					<b><u>£11,244.25</u></b>

**Three with Data Passport**

Voice	40.6	Mins	£2.00	per Min	£81.20
SMS	8.7	Message	£0.35	per SMS	£3.05
Data	1.86	GB	£5.00	per day	<u>£35.00</u>
					<b><u>£119.25</u></b>

**27 September 2023**